

Facts for Consumers

Credit and ATM Cards:



What To Do If They're Lost or Stolen

Many people find it easy and convenient to use credit and ATM cards. The Fair Credit Billing Act (FCBA) and the Electronic Fund Transfer Act (EFTA) offer procedures for you and businesses to use if your cards are lost or stolen.

Limiting Your Financial Loss

Report the loss or theft of your credit and ATM cards to the card issuers as quickly as possible. Many companies have toll-free numbers and 24-hour service to deal with such emergencies. It's a good idea to follow up your phone calls with a letter. Include your account number, when you noticed your card was missing, and the date you first reported the loss.

You also may want to check your homeowner's insurance policy to see if it covers your liability for card thefts. If not, some insurance companies will allow you to change your policy to include this protection.

- **Credit Card Loss.** If you report the loss *before* the cards are used, the FCBA says the card issuer cannot hold you responsible for any unauthorized charges. If a thief uses your cards before you report them missing, the most you will owe for unauthorized charges is \$50 per card. This is true even if a thief uses your credit card at an ATM machine to access your credit card account.

However, it's not enough simply to report your credit card loss. After the

loss, review your billing statements carefully. If they show any unauthorized charges, send a letter to the card issuer describing each questionable charge. Again, tell the card issuer the date your card was lost or stolen and when you first reported it to them. Be sure to send the letter to the address provided for billing errors. Do not send it with a payment or to the address where you send your payments unless you are directed to do so.

- **ATM Card Loss.** If you report an ATM card missing *before* it's used without your permission, the EFTA says the card issuer cannot hold you responsible for any unauthorized withdrawals. If unauthorized use occurs before you report it, the amount you can be held liable for depends upon how quickly you report the loss. For example, if you report the loss within two business days after you realize your card is missing, you will not be responsible for more than \$50 for unauthorized use.

However, if you don't report the loss within two business days after you discover the loss, you could lose up to \$500 because of an unauthorized withdrawal. You risk *unlimited* loss if you fail to report an unauthorized transfer or withdrawal within 60 days after your bank statement is mailed to you. That means you could lose all the money in your bank account and the unused portion of your line of credit established for overdrafts.

If unauthorized transactions show up on your bank statement, report them to the card issuer as quickly as possible. Once you've reported the loss of your ATM card, you cannot be held liable for additional amounts, even if more unauthorized transactions are made.

Protecting Your Cards

The best protections against card fraud are to know where your cards are at all times and to keep them secure. For ATM card protection, it's important to keep your Personal Identification Number (PIN) a secret. Don't use your address, birthdate, phone or social security number. Memorize the number. Statistics show that in one-third of ATM card frauds, cardholders wrote their PINS on their ATM cards or on slips of paper kept with their cards.

The following suggestions may help you protect your credit and ATM card accounts.

For Credit Cards:

- Be cautious about disclosing your account number over the phone unless you know you are dealing with a reputable company.
- Never put your account number on the outside of an envelope or on a postcard.
- Draw a line through blank spaces on charge slips above the total so the amount cannot be changed.

- Don't sign a blank charge slip.
- Tear up carbons and save your receipts to check against your monthly billing statements.
- Open billing statements promptly and compare them with your receipts. Report mistakes or discrepancies as soon as possible to the special address listed on your statement for "billing inquiries." Under the FCBA, the card issuer must investigate billing errors reported to them within 60 days of the date your statement was mailed to you.
- Keep a record — in a safe place separate from your cards — of your account numbers, expiration dates, and the telephone numbers of each card issuer so you can report a loss quickly.
- Carry only those cards that you anticipate you'll need.

For ATM cards:

- Don't carry your PIN in your wallet or purse or write it on your ATM card.
- Never write your PIN on the outside of a deposit slip, an envelope, or on a postcard.
- Take your ATM receipt after completing a transaction.
- Reconcile all ATM receipts with bank statements as soon as possible.

Buying a Registration Service

For an annual fee of \$10 to \$35, companies will notify the issuers of your credit and ATM accounts if your card is lost or stolen. This service allows you to make only one phone call to report all card losses rather than calling individual issuers. Most services also will request replacement cards on your behalf.

Purchasing a card registration service may be convenient, but it's not required. The FCBA and the EFTA give you the right to contact your card issuers directly in the event of a loss or suspected unauthorized use.

If you decide to buy a registration service, compare offers. Carefully read the contract to determine the company's obligations and your liability. For example, will the company reimburse you if it fails to notify card issuers promptly once you've called in the loss to the service? If not, you could be liable for unauthorized charges.



For More Information

The following federal agencies are responsible for enforcing federal laws that govern credit and ATM card transactions. Questions concerning a particular card issuer should be directed to the enforcement agency responsible for that issuer.

State Member Banks of the Federal Reserve System

Consumer and Community Affairs
Board of Governors of the Federal Reserve System
20th & C Streets, NW
Washington, DC 20551

National Banks

Comptroller of the Currency
Compliance Management
Mail Stop 7-5
Washington, DC 20219

Federal Credit Unions

National Credit Union Administration
1776 G Street, NW
Washington, DC 20456

Non-Member Federally Insured Banks

Office of Consumer Programs
Federal Deposit Insurance Corporation
550 Seventeenth Street, NW
Washington, DC 20429

Federally Insured Savings and Loans, and Federally Chartered State Banks

Consumer Affairs Program
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

Other Credit Card Issuers

(includes retail/gasoline companies)
Consumer Response Center
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

The FTC publishes a series of free brochures on credit-related issues. For a complete list of publications, write for **Best Sellers**, Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580; or call, toll-free 1-877-FTC-HELP (382-4357); TDD: 202-326-2502. You also can access FTC publications at **www.ftc.gov**.

Federal Trade Commission	Toll-free 1-877-FTC-HELP
www.ftc.gov	For the Consumer